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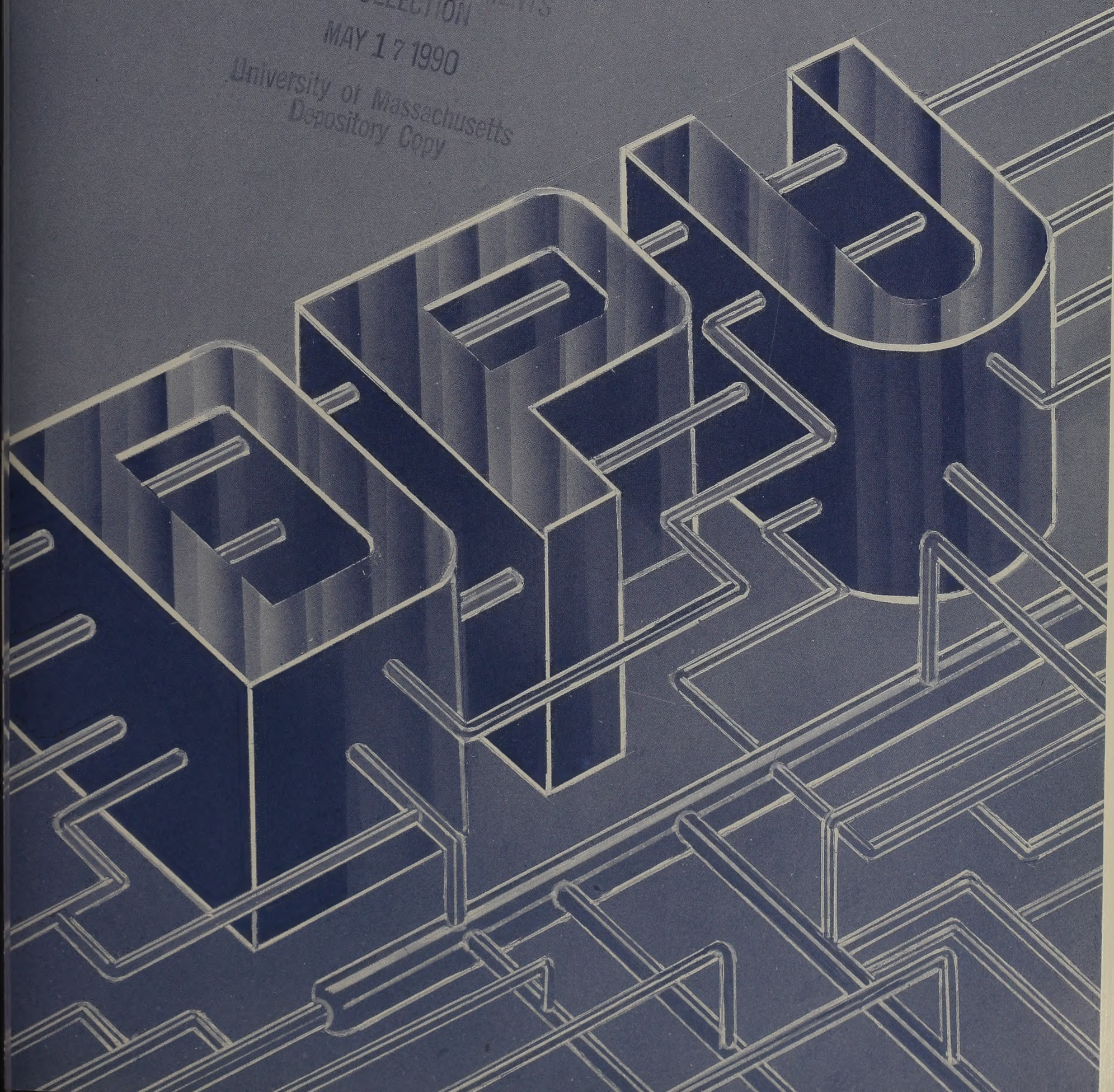
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# Department of Public Utilities Annual Report — Fiscal Year 1988

GOVERNMENT DOCUMENTS  
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*The Commonwealth of Massachusetts*  
*Department of Public Utilities*  
*Leverett Saltonstall Building, Government Center*  
*100 Cambridge Street, Boston 02202*

June 1989

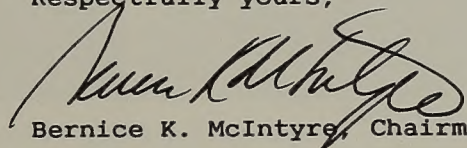
The Honorable Michael S. Dukakis, Governor  
The Honorable William M. Bulger, President of the Senate  
The Honorable George Keverian, Speaker of the House of  
Representatives  
The Honorable Paula W. Gold, Secretary of Consumer Affairs  
and Business Regulation

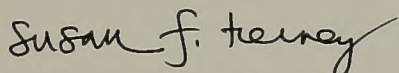
We are pleased to submit the Annual Report of the Department of Public Utilities for fiscal year 1988. The Report briefly highlights the Department's activities in a format which we hope will be useful for the general public as well as for public officials.

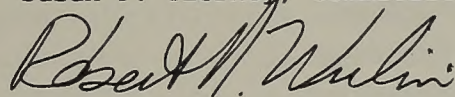
We sincerely appreciate the support provided by the Legislature in helping the Department deal with the many issues concerning regulation of the state's utilities and common carriers.

We look forward to maintaining a close working relationship with the General Court as we face the continuing challenge of ensuring that Massachusetts consumers receive reliable utility service at the lowest possible cost.

Respectfully yours,

  
Bernice K. McIntyre, Chairman

  
Susan F. Tierney, Commissioner

  
Robert N. Werlin, Commissioner



### DPU Senior Staff

#### Seated:

Robert N. Werlin, Commissioner; Bernice K. McIntyre, Chairman; Susan F. Tierney, Commissioner.

#### First Row:

Nancy Brockway, General Counsel; Claudine Langlois, Director, Consumer Division; Mary Cottrell, Director, Administration Division; Susan Baldwin, Director, Telecommunications Division.

#### Second Row:

Merry Duffy, Executive Director; Tim Shelvin, Director, Commercial Motor Vehicle and Rail and Bus Divisions; Barbara Kates-Garnick, Director, Rates and Research Division; John Howe, Director, Federal-State Relations Division; Catherine Morris, Director, Electric Power Division; Gail Soares, Director, Fiscal Division; Dave Weber, Director, Pipeline Engineering and Safety Division.



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Susan F. Tierney, Commissioner  
Robert N. Werlin, Commissioner

Editor: Merry Duffy, Executive Director  
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Photography: Cherie Thompson

We are grateful to the following companies  
for sharing with us the photographs  
used in this Annual Report.

Boston Edison  
Hydro-Quebec  
MBTA  
Massachusetts Electric  
New England Telephone  
Richmond Telephone  
Western Massachusetts Electric

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# Introduction



*New efficient lighting, funded by Boston Edison, illuminates the entire Custom House with the same amount of power previously used to light the clock.*

Every person in Massachusetts who uses a telephone, turns on an electric light, or lights a gas stove depends on the Department of Public Utilities. Every business that relies on delivery of goods transported by truck to supply its customers or on a reliable electric supply to keep its machines or its computers operating depends on the DPU as well. Although we seldom consider their impact, the DPU's decisions affect us every day.

The electric, gas, telephone, water, bus, and commercial motor vehicle companies regulated by the DPU represent a major economic force in the state with combined operating revenues of over ten billion dollars. Virtually all homeowners, renters, municipal governments, nonprofit institutions, and businesses in Massachusetts are directly affected by these multi-billion-dollar industries in a manner largely beyond their individual control.

The final authority for all DPU regulatory decisions rests with the three-member Commission. The Governor

designates the Chairman, who has the responsibility to administer the agency and serves as agency head. The Commission is appointed by and serves coterminously with the Governor. The Department's broad responsibilities encompass these areas:

## Ratesetting

The Commission has three major goals in ratesetting:

- to establish regulatory standards and apply them in a fair and consistent manner;
- to protect consumers from unreasonable rates and terms of service; and
- to encourage the greatest possible efficiency in utility company operations and management.

**Public Utility Companies** provide essential services such as water, natural gas, and electricity. The DPU

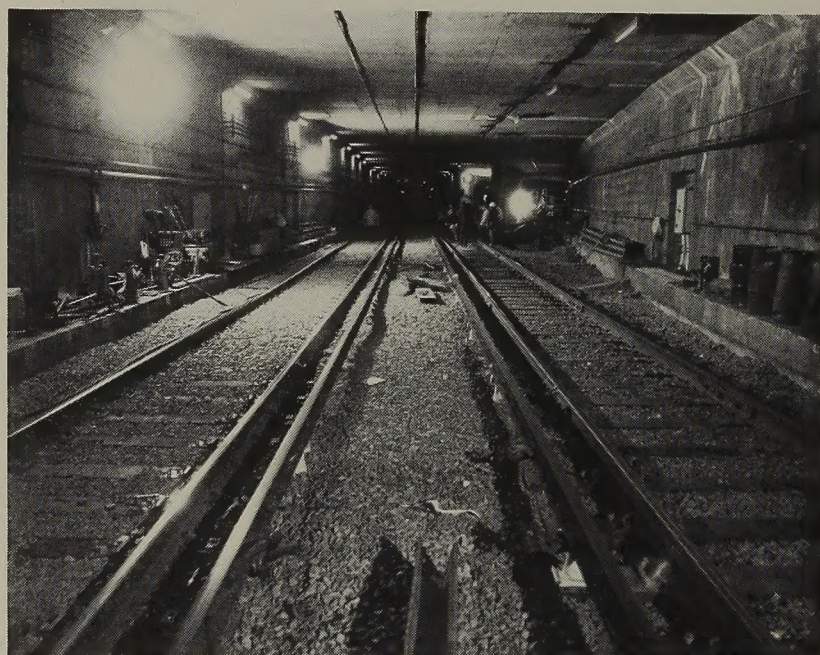


was created to control prices and rates for these services and to monitor their quality. These pricing and service quality considerations, which would ordinarily be influenced by market forces in the case of other private industries, are regulated to ensure that the companies properly serve the public and do not abuse their monopoly power.

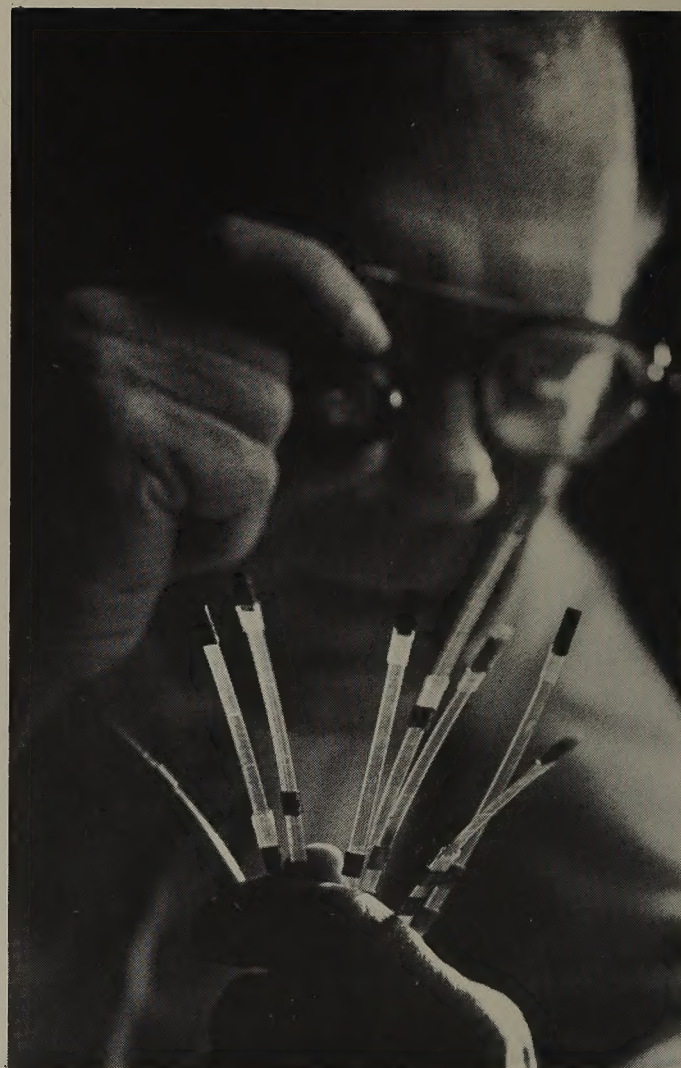
**Common Carriers** are also regulated by the DPU. These include telecommunications companies, commercial motor vehicle operations, and bus companies. Common carriers are regulated because they too provide essential services to the public. Thus, the DPU regulates the entry of companies into the common carrier field, and it regulates the rates and terms of service provided by these companies.

## Public Safety

The DPU has substantial responsibilities to ensure public safety by (1) monitoring and enforcing federal and state gas safety regulations and investigating accidents involving gas pipelines or liquefied natural gas ("LNG") plants and (2) enforcing state safety requirements on railroads, rapid transit trains, streetcars, and buses.



*DPU Railway & Bus Division inspects MBTA track conditions as part of its public safety oversight responsibilities.*



*Fiber optic technology is bringing new services to the marketplace. Pictured are fiber optic strands prior to installation.*

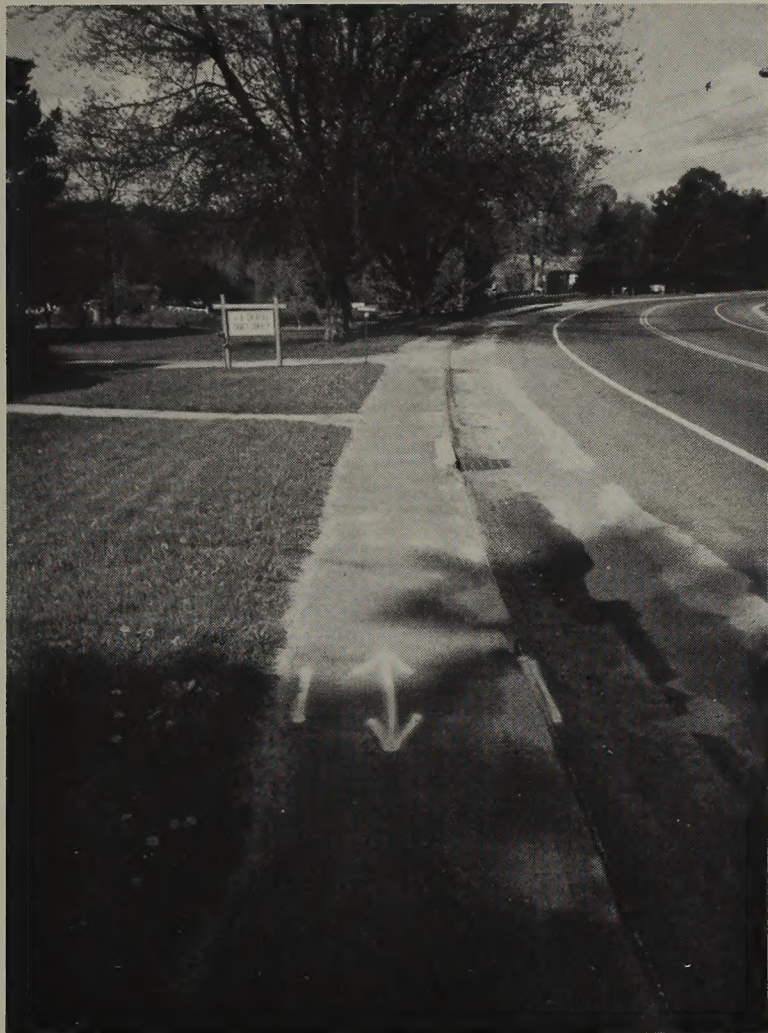
In addition, the DPU enforces the Dig-Safe law, which requires excavators to notify utilities, through the Dig-Safe Center, of their intended digging sites so that all underground facilities can be clearly marked by the utility. The DPU imposes fines on excavators or utilities who fail to comply with the Dig-Safe law.

## Consumer Assistance

All privately owned utility companies must operate their billing and termination procedures in accordance with the DPU's regulations. The Consumer Division protects consumers from unjust utility practices and monitors the quality of service. The Consumer Division helps to resolve problems and answer questions of nearly 65,000 people each year.



# FY'88 Major Accomplishments



*Utility markings give excavators location of underground pipes or cable as required by Dig-Safe law.*



*Excavator hits underground pipe — an accident Dig-Safe is designed to prevent.*

## Ratesetting

If there was any theme that characterized FY'88 it was the continuing need to adapt the DPU's regulatory standards to a rapidly changing and expanding marketplace.

## Electric Power

- In May, 1988 the Department announced a new pre-approval contract policy for electric company investment in new plant or major modifications to existing plant. Under this new policy, the company's return on investment and the price of the power produced must be settled and approved by the DPU before construction begins. Risk and reward will be balanced between ratepayers and shareholders — ratepayers bearing costs associated with unanticipated changes in demand or increased fuel costs; shareholders taking responsibility for construction cost overruns or operational difficulties.

- In FY'88, the DPU placed new emphasis on conservation and load management ("C&LM") programs. In November 1987, the DPU initiated a review of the C&LM efforts of each electric company to collect the first statewide data on these programs. The DPU also opened an investigation to consider the kind of

regulatory framework that would best ensure optimal implementation of C&LM.

## Telecommunications

In the telecommunications industry, the introduction of new services dependent upon access to the NET system posed many new regulatory challenges.

The Department expanded an existing case to include investigation of customer-owned coin-operated telephones ("COCOTs"). Operation of the private pay phones, which often charged more than ten cents for a local call, raised many questions and caused a large number of consumer complaints. As a result, the Department is investigating the appropriate rates and regulation for all pay phones providing service to customers in the Commonwealth.

## Natural Gas

As the natural gas industry continues to become more competitive, the Department has worked to set rates that closely reflect the cost of serving each customer class.

In three cases involving substantial restructuring of rates, Colonial Gas, Essex County Gas, and Common-





*The first peat-fired electric generation plant in the United States produces 22.8 megawatts of electricity for Boston Edison customers.*

wealth Gas, the DPU continued to develop seasonal cost-based rates. These rates closely reflect the costs of serving each customer class to give ratepayers accurate price signals and encourage efficient energy use.

## Public Safety

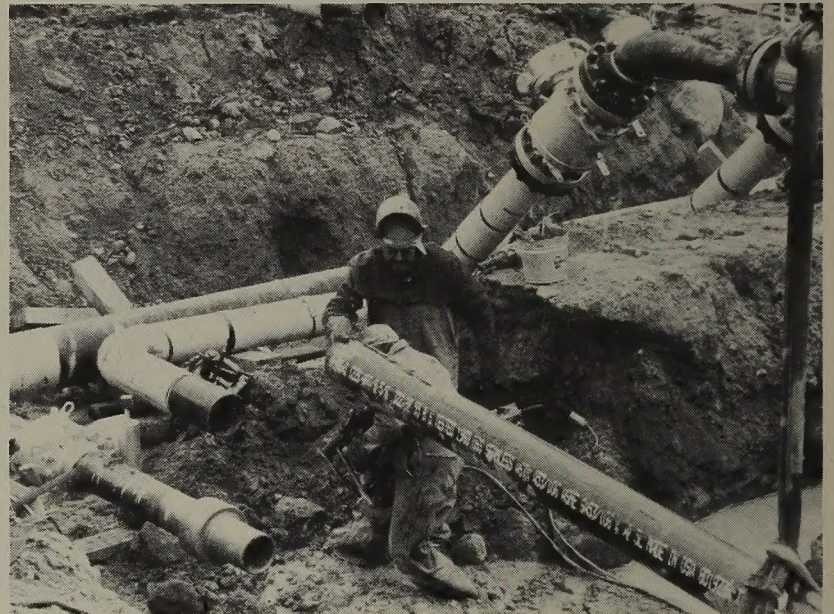
The Department made significant progress during FY'88 in the enforcement of regulations to ensure safe transportation and storage of gas.

Department inspectors conducted the equivalent of 475 days of field inspections of pipeline facilities including liquefied natural gas ("LNG") and propane plants. As a result of strict enforcement efforts, there was not a single serious accident involving a pipeline or LNG plant operated by a local gas distribution company.

In FY'88 the Department collected over \$70,000 in fines for violations of the state's Dig-Safe statute. Since the Department was authorized to monitor and enforce this law in 1986, the number of incidents resulting in damage to pipelines has dropped by 20 percent.

## Consumer Assistance

In March 1988, a consumer questioned the method his electric company used to calculate the fuel adjustment charge on his bill. What began as a routine investigation led to the discovery that the company's new calculation method was incorrect. The company responded to the DPU directives to credit the over-collection, and returned over \$1.8 million to 280,146 affected customers.



*Construction of Marathon pipeline in the Hopkinton area will bring additional supplies of natural gas to the Boston area.*



# Public Participation in DPU Process



*DPU hearing room filled to capacity.*



Although rate cases and investigations are conducted under strict laws of administrative procedures and may seem formal, there are many opportunities for the public and public officials to be involved and be heard. The Commissioners encourage broad participation to ensure that they hear the concerns of everyone affected and consider all comments in making their decisions.

## How Are Rates Set?

Whenever gas, electric, telephone and water companies want to change their rates, they must come before the DPU for permission. The DPU may then investigate their requests within six months and set new rate levels based on the current costs of providing the service. All of the company's expenditures are reviewed to make a determination.

The DPU always starts its investigation by holding an evening public hearing in a city or town in the company's service area. Notice of the time and place of each public hearing is published in local newspapers. The purpose is to hear public comment and gather in-

formation from customers and local and state officials. This information is very important and helps guide the DPU in making its final decision.

The DPU will also consider written comments. Anyone may submit information or comments about a Department proceeding by sending them to:

**Massachusetts Department of Public Utilities  
100 Cambridge Street, 12th Floor  
Boston, MA 02202**

After the public hearing, more hearings are held in which the parties present evidence, cross-examine witnesses, and argue their case before the Department hearing officer. Many aspects of the utility's operation are examined during this adjudicatory process. Official intervenors are groups, usually represented by attorneys, who file petitions asking to take part in the legal proceeding. Intervenors may call witnesses, cross-examine other witnesses, and offer written argument. The Office of the Attorney General, through its Utility Division, usually intervenes in DPU rate cases along with other interested parties.



*Hearing officer Dick Falkner conducts CMVD hearing.*



*DPU staff on bench during hearing, Steve Litkovitz, Brian Abbanat and James Connelly.*



*DPU evidentiary hearing in progress.*



# Legal and Administrative Division

617-727-3500



*DPU hearing officer and technical staff on the bench during a hearing.*



*Alice DeWolfe, Administrative Secretary, keeps track of each filing.*



The DPU holds hearings on each rate case, financing request, and investigation that it opens. In FY'88, the Department held a total of 1,553 hearings.

Attorneys from the Legal Division preside over the Department's adjudicatory proceedings. The hearing officer ensures the development of a complete factual record by questioning witnesses and making evidentiary rulings. The record becomes the basis for the Department's decision. Recordkeeping for all filings, hearings, and orders issued by the Department is the responsibility of the Administrative Division.

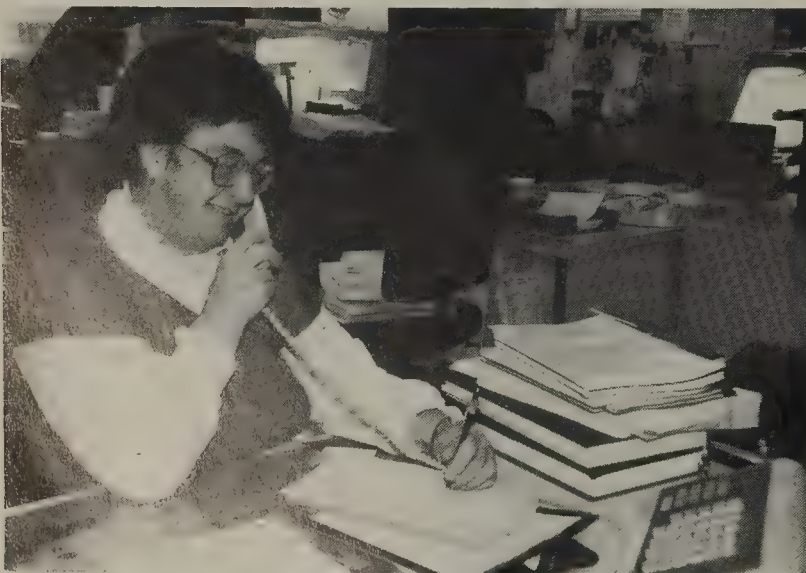
Depending upon their complexity, most cases are heard by a team of attorneys, economists, and account-

ants. Electric, gas, and telecommunications company rate cases must be completed within six months and water company rate cases within ten months of filing, so case tracking and scheduling are very important. The cases range from multi-million-dollar rate requests from large companies to several-thousand-dollar increases for smaller companies. Each case receives a full investigation and consideration by the Department.

At the start of a case, the DPU holds public hearings in the company's service territory to give the public and local and state officials the opportunity to comment on each issue. Under DPU regulations, each utility must place large-size advertisements in local newspapers to announce hearing dates. In addition, the DPU requires that the company send notice of the requested rate request to all customers with their bill mailings.

## Public Outreach

During FY'88, the Department, in keeping with efforts to improve outreach to the general public, conducted 736 public hearings outside of Boston. These public hearings, held in cities and towns throughout the state, make it possible for utility customers or those seeking certification to operate commercial motor vehicles to do their business with the DPU in a location convenient to them.



*Marcia Larsen, Receptionist, handles telephone inquiries and walk-ins.*

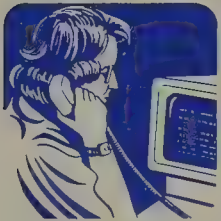


# Consumer Division

617-727-3531 or 1-800-392-6066



*Consumer Division holds conference for utility credit managers.*



The Consumer Division protects consumers from unjust utility practices. Under the DPU's regulations on billing and termination procedures for residential customers, the Division helps

to resolve problems and answer questions for nearly 65,000 people annually.

## Consumer Complaints Lead to Department Action

Late in 1987 the Division had many complaints from customers who had used customer-owned coin-operated telephones ("COCOTs") that used an alternative operator service ("AOS") company. Although the operator service provided by AOS companies is essentially the same as that provided by NET or AT&T, the cost to the user is often considerably higher. Responding to the complaints and information collected by the Consumer Division, the Department held public hearings to consider the certification of AOS companies. Through July, 1988, no AOS companies had been certified to operate within Massachusetts.

The Consumer Division enforces the DPU's billing and termination regulations and other Department



*Consumer Coordinator Holly Lechtur at work.*



*Anne Winston takes call from a utility customer.*

standards. The Division not only denies companies the right to terminate service but also denies companies the right to collect monies if unfair billing practices are employed. In FY'88, the Division reverted to individual customers a total of nearly \$1.9 million that had originally been billed to them.

## Other Accomplishments

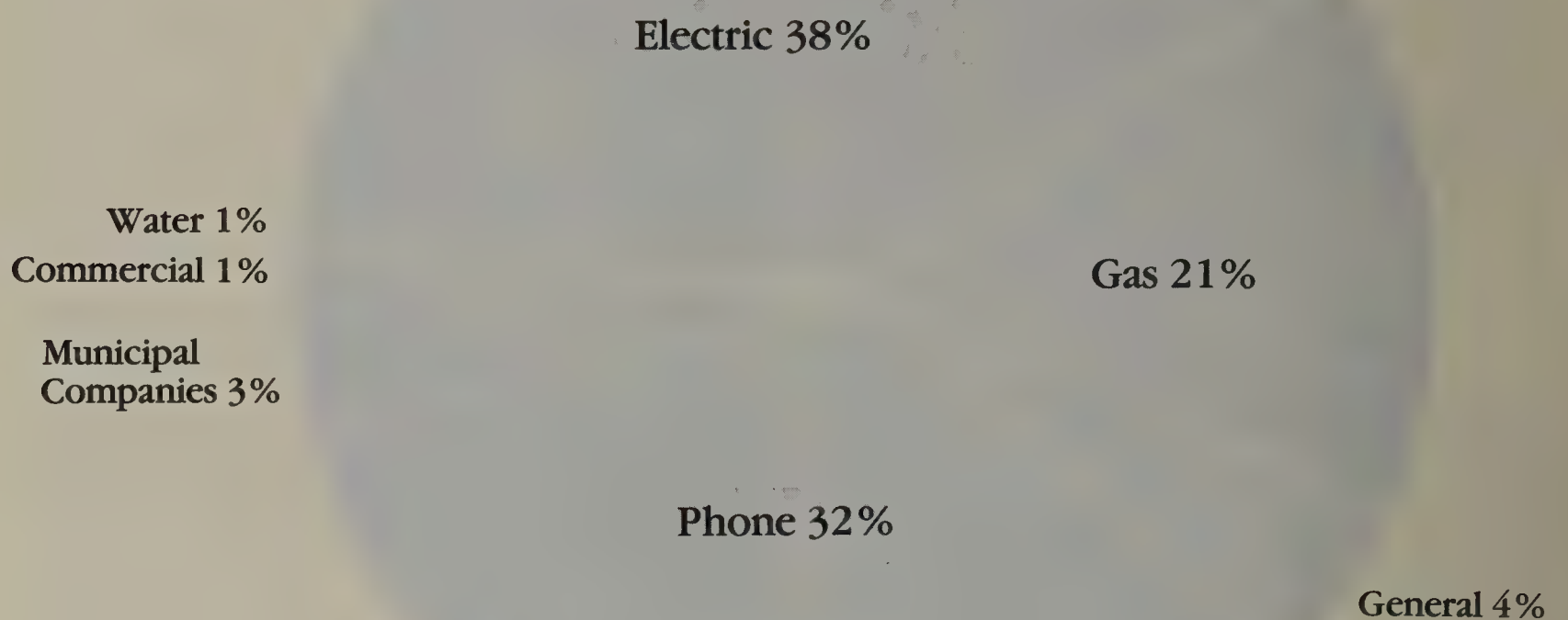
- The 508 area code reconfiguration drew legitimate complaints from certain border customers whose telephone number and calling area were also changed. The DPU ordered New England Telephone Company to allow affected customers to choose their former calling area if they desired. The Division is tracking the Company's compliance.

- The Department approved discounted rates for recipients of Supplemental Security Income ("SSI") for those gas and electric companies requesting rate increases in FY'88. One company had difficulty implementing the rate but after several documented consumer complaints the company agreed to adjust the accounts of all those eligible for the rate back to the date of the DPU Order.



# Consumer Contacts – Fiscal Year 1988

Contacts Requiring Substantial  
Staff Time

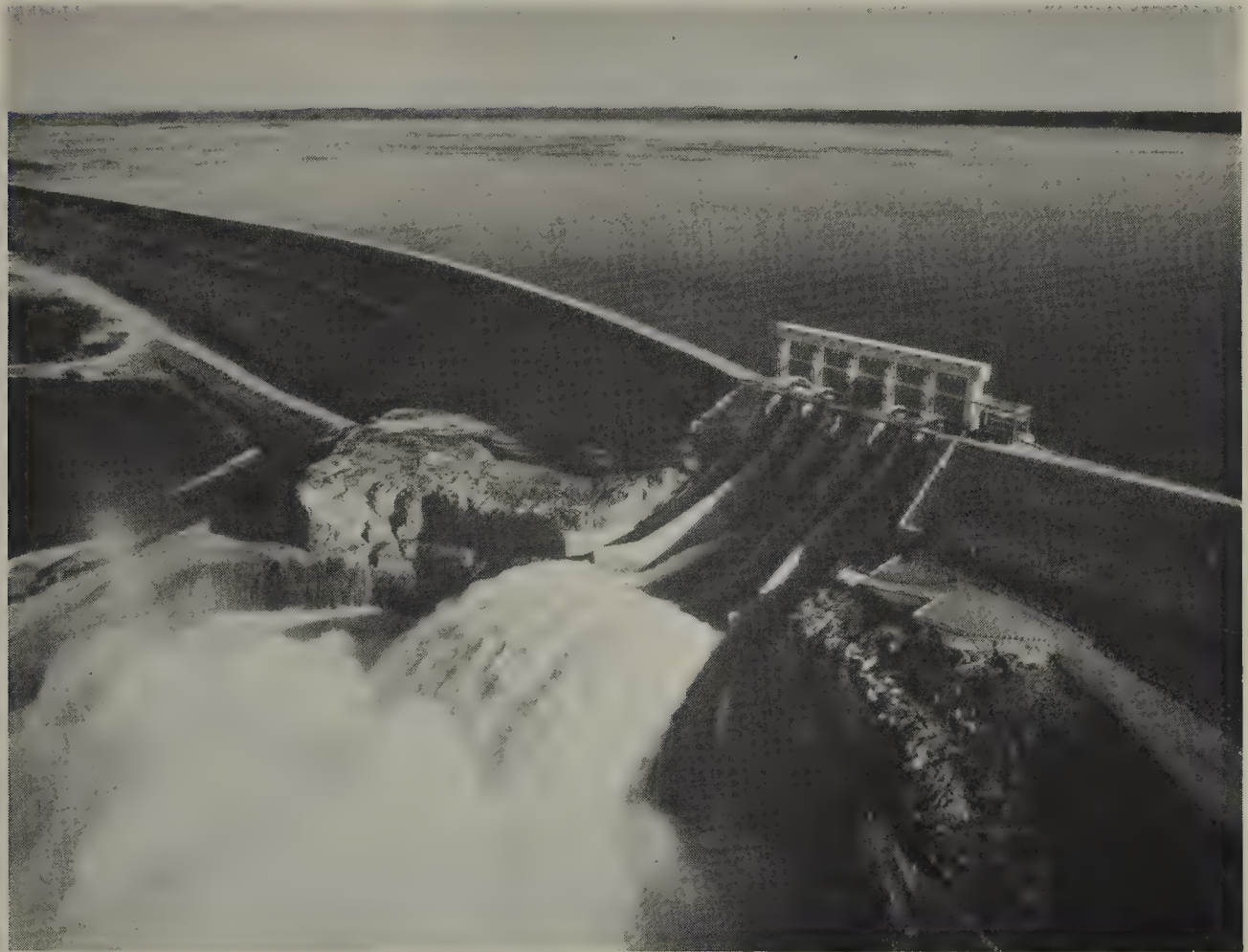


Total 13,913

Consumer problems by industry, requiring substantial investigation



# Electric Power Division



*In December 1987, DPU approved agreement between Massachusetts utilities and Hydro Quebec to purchase 7 billion KWH for delivery beginning in 1990.*



The Electric Power Division provides technical expertise the Department needs to evaluate issues relating to electric utilities and fuel charge monitoring so that ratepayers will get reliable service at the lowest possible cost.

## New Approach to Regulation of Power Plant Investment

During FY'88 the DPU continued to review its regulatory guidelines for electric utilities in order to



*At the Dover Square low-income housing project in Pittsfield, two Western Massachusetts Electric Company employees check test equipment that helps locate air drafts, which can then be sealed in an effort to conserve electricity and reduce energy bills.*

keep pace with changes in the industry. Demand for electricity has increased. The industry has become more competitive as small power producers and co-generators have entered the marketplace selling electricity to utilities. The DPU has continued to insist that electric companies invest in demand management programs, such as conservation and load management ("C&LM"), as a part of their plan for meeting increased need for electricity. The DPU's policy of evaluating electric company investment in generating facilities after the construction of those facilities led to utility management uncertainty about the degree to which they could expect to recover the costs of that construction.

In May, the DPU announced a new policy requiring pre-approval of utility investment in new plant or major modifications to existing plant before any funds are expended by a utility company. The pre-approval approach requires the utility to demonstrate that the proposed construction represents the least-cost alternative to meet projected electricity demand. The terms under which the utility would recover its costs and the terms under which ratepayers would pay for capacity and energy would be specified in advance of the projected expenditures.

The regulations proposed by the Department were designed as a transitional measure pending the completion of a more comprehensive regulatory process to address the way all resources (including conservation and





*DPU has required more conservation activity by the utilities. Massachusetts Electric has serviced more than 70,000 customers with the Electric Water Heater Wrap Program.*

load management) can be integrated into the long-term planning of the electric companies and afforded appropriate ratemaking treatment.

## Other Accomplishments

- The DPU is engaged in an extensive investigation of Boston Edison management and operating practices during the outage at the Pilgrim Nuclear Power Station that began in April of 1986. This is the longest outage in Pilgrim's history and has necessitated the purchase of hundreds of millions of dollars in replacement power, the cost of which has been reflected in "Fuel and Purchased Power Adjustment" billings to customers subject to refund. The DPU's investigation will seek to determine what portion of this cost should be borne by ratepayers.

- The DPU conducted a review of the C&LM programs of each electric company. The resulting compilation of data was the first statewide collection of information regarding efforts in this area.

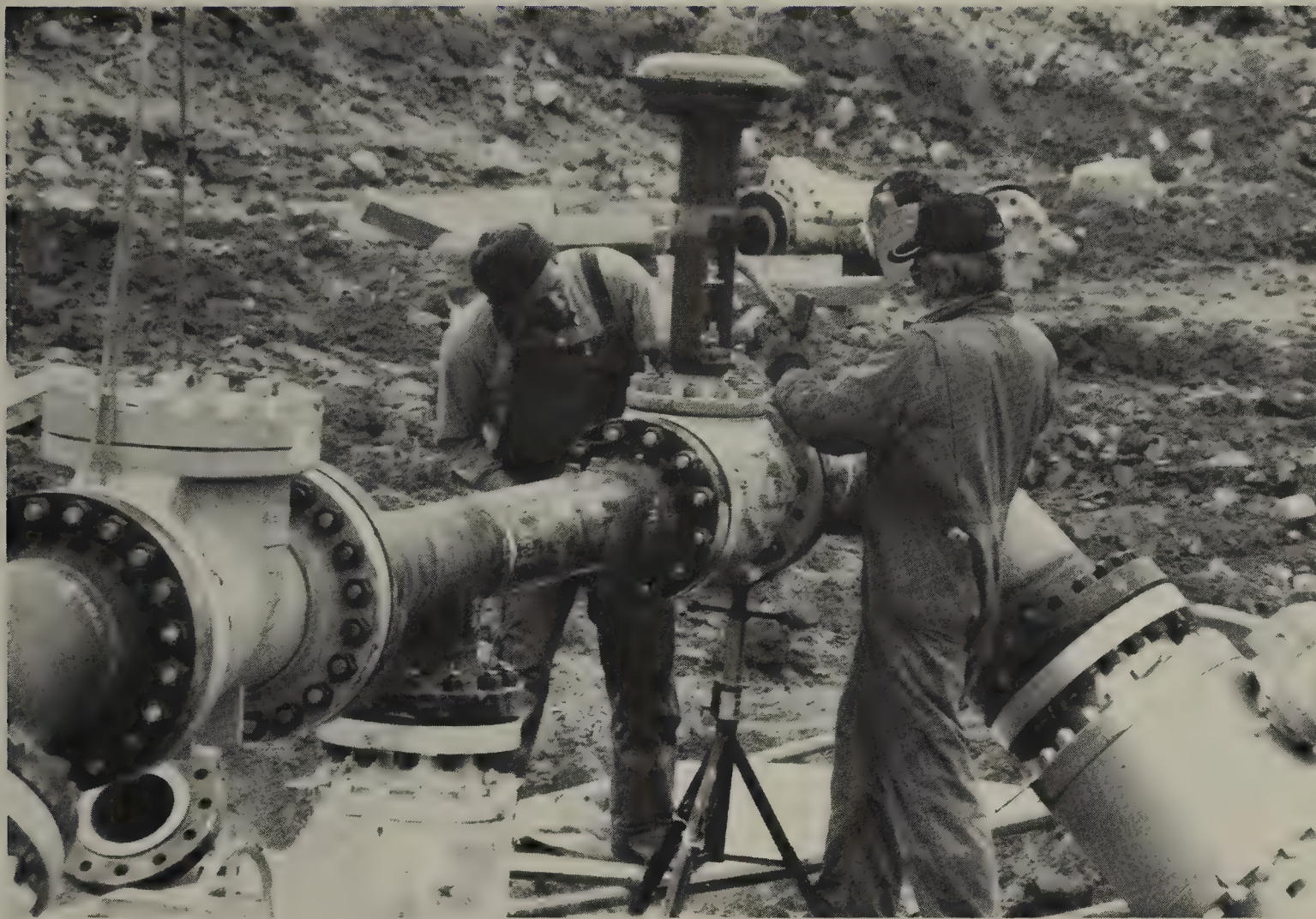
- After extensive hearings, the DPU completed its investigation into the adequacy of the plans and actions of Massachusetts electric companies to ensure reliable service during the summer of 1987. The DPU focused on the causes of capacity constraints on July 24, and August 17 and 18, 1987, which resulted in the need for electric companies to implement emergency operating procedures.

The DPU found that Massachusetts companies responded to the capacity constraint responsibly, but criticized the New England Power Pool ("NEPOOL") planning process, which did not anticipate the shortages in time. The DPU also recommended changes to the NEPOOL pricing system to include incentives for making power available when needed.

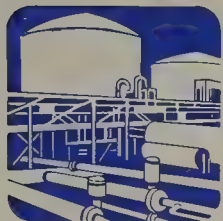
- In December 1987, the DPU approved Massachusetts utilities' financial agreement with Hydro-Quebec to purchase 7 billion kilowatthours ("KWH") of hydro-electric power for delivery starting in 1990. As a result, NEPOOL projects annual net fuel savings, which will be reflected in the fuel portion of utility bills, of approximately \$104 million in 1990-1991, rising to approximately \$588 million in 1995-2000.



# Rates and Research Division



*Installation of a major new Algonquin Gas pipeline.*



The Rates and Research Division provides the DPU with technical support in the regulation of the natural gas and privately-owned water distribution companies.

Changes in the natural gas industry add to the competitive business environment the Massachusetts gas distribution companies are now facing from interfuel competition, particularly from oil. As the DPU responds to federal actions and initiates its own regulatory changes with Massachusetts' special needs in mind, the responsibilities of the Division of Rates and Research range in scope from analyzing the specifics of a rate case to assessing the broad impact of national regulatory change.

## Massachusetts Consumers to Get Benefits of Competitive Gas Market

In FY'88, the DPU continued to encourage the Local Distribution Companies ("LDCs") it regulates to provide ratepayers with access to reliable, low-cost gas. With increased competition in the natural gas industry, the DPU focused on bringing the benefits of a more competitive gas market to Massachusetts ratepayers.

There is a need for enhanced use of natural gas in the Commonwealth's energy mix, and there are competitive advantages for Massachusetts gas consumers in receiving adequate supplies through pipelines that directly serve the region. The DPU has played an active role in the ongoing federal regulatory process, known as "Open Season," to bring enhanced pipeline capacity to the Northeast region and additional gas supplies to Massachusetts.



*With additional pipelines for transportation, Massachusetts consumers can take advantage of competitive prices for natural gas.*



The DPU completed the restructuring of the rates of Colonial Gas Company, which resulted in a movement towards equalized rates of return for all customer classes and rates which more fully reflect marginal costs.

In the Essex Gas Company case, the DPU moved Essex closer to equalized rates of return for all customer classes and ordered implementation of a subsidized rate for recipients of Supplemental Security Income ("SSI") for those customers least able to withstand the effects of a gas rate increase.

The Commonwealth Gas rate case was far-reaching in its scope. In this case, the DPU ordered the Company to move 100 percent towards equalized rates of return except for the two residential classes, ordered the Company to implement an SSI rate, and endorsed the concept of a firm, cost-based transportation rate.

### Other Accomplishments

- In FY'88, the Division began to implement the semi-annual Cost of Gas Adjustment Clause ("CGAC") filing. The effect of this process was to create seasonal rates for each local distribution company ("LDC") and to reduce the required filings to the DPU from a monthly to a semi-annual schedule. The CGAC mechanism provides a means of tracking a company's gas costs and its pipeline refund mechanism.

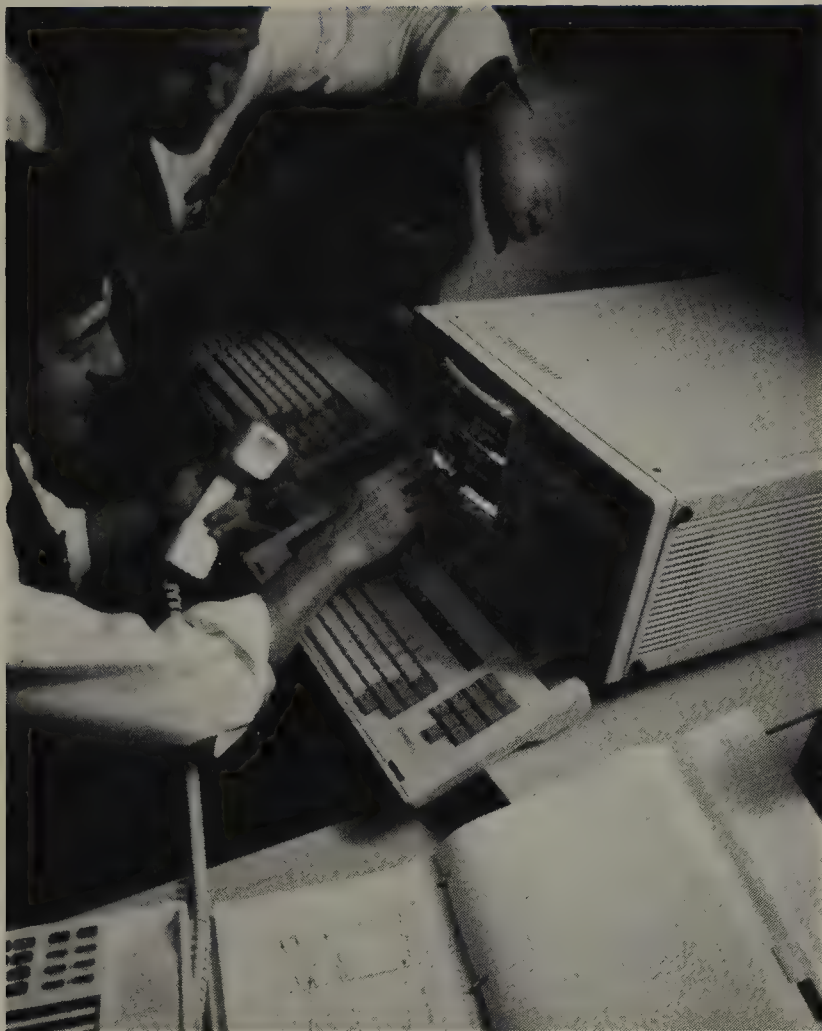
- FY'88 saw the completion of three water rate cases and active consideration of three more. Butterworth heralded the formation of a new company. In Housatonic and Wylde Water, the DPU addressed issues relating to management and operation procedures.



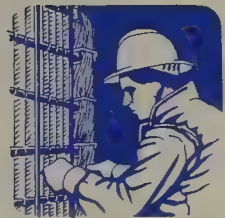
*Workers install Marathon pipeline in the Hopkinton area.*



# Telecommunications Division



*The modern telecommunications network transmits voice and data offering new services to customers.*



The Telecommunications Division provides technical expertise required for the regulation of all common carriers that provide transmission of intelligence by electricity within the

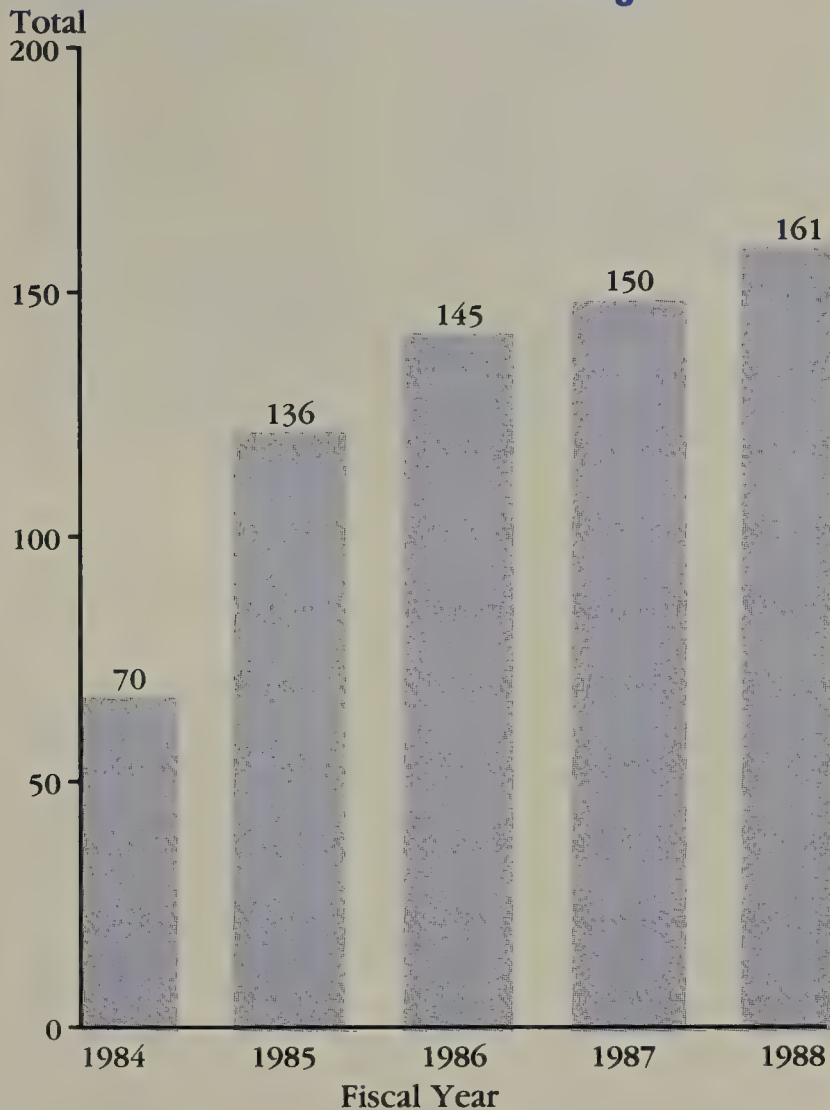
Commonwealth. Regulated carriers are all intrastate telephone companies, radio common carriers, and other specialized common carriers.

## New Services for Telephone Customers

Court rulings and federal regulations have completely changed the operation of the telecommunications industry since the divestiture of American Telephone and Telegraph Co. (AT&T) on January 1, 1984. As a result, the complexity of the issues, the volume of the filings, and the number of companies seeking certification to do business have increased dramatically.

In FY'88, there was a marked increase in the number of telecommunications providers and services available to Massachusetts residents and businesses. The DPU certified one new long distance communications company, five new paging companies and six new cellular mobile communications companies to provide telecommunications services to Massachusetts rate-payers. As a result, the DPU regulated 67 telecommunications companies at the close of FY'88.

## Annual Telecommunications Filings



In FY'88 two alternative operator service ("AOS") providers filed applications with the DPU to provide intrastate service. AOS companies generally lease lines from long distance companies and combine that service with their own operator services. The AOS companies enter into agreements with hotels, motels, hospitals and universities which have transient users. In response to those filings, the DPU initiated investigations that continued into FY'89. To protect customers from exorbitant and unanticipated telephone charges, the



*DPU staff member Angela Lester demonstrates a popular new telecommunications option, the cellular phone. Driver is Henry Cappuccio.*



DPU prohibits AOS firms from providing intrastate service without a certificate; no AOS firms held certificates as of year end FY'88.

In FY'88, there was a marked increase in the number of telecommunications providers and services available to Massachusetts residents and businesses.

## Other Accomplishments

- In response to growing ratepayer concerns and changing industry needs, the DPU opened an investigation into the provision of pay phone service by New England Telephone ("NET") and by customer-owned coin-operated telephone ("COCOT") service providers. During the upcoming year the Department will investigate issues such as the proper labelling of pay phones, consumer protection for COCOT users, and the appropriate type of regulation for pay phones in public and private locations.

- During FY'88, the DPU continued its extensive investigation into NET's costs of providing services and its relationship with its parent company, NYNEX. The ultimate goal of the investigation is to ensure that

NET's rates are fair, cost-based, and easy to understand. The second phase of the investigation is scheduled for completion in FY'89.



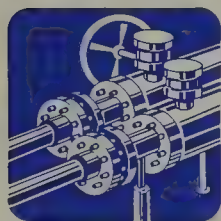
*Richmond Telephone, which serves some 761 subscribers in Massachusetts and is regulated by the Department is one of the few independent telephone companies.*



# Pipeline Engineering and Safety Division



*Meter inspector David Curran checks one of 233,000 meters inspected each year.*



The DPU's technical and safety responsibilities relating to natural gas companies, municipal gas departments, and privately owned water utilities are carried out by the Pipeline Engineering and Safety Division.

The Division's most important mission is the protection of the consumer and the general public from the potential hazards involved in the transmission, distribution, production, storage, and use of natural gas and supplemental fuel gases.

Staff members inspect pipelines and plants that produce liquefied natural gas ("LNG"), synthetic natural gas ("SNG") and propane-air gas. This involves surveillance of 17,000 miles of gas main and 57 gas plants, serving over 1.2 million customers in the Commonwealth.

## Safety is no Accident

The Division has contributed significantly to the safety of natural gas customers and the general public. In FY'88, there was not a single accident involving a local gas distribution company pipeline or plant that resulted in an injury, fatality, or serious property damage. In addition, the number of incidents that resulted in damage to pipelines as a result of carelessness by excavators decreased from 1060 in FY'85 to 846 in FY'87 (a drop of 20 percent).

These results have been achieved since the legislature gave the DPU authority to monitor and enforce state and federal gas safety regulations and the Dig-Safe law in December 1985 (G.L. C. 164, Sec. 105A, and C. 82, Sec. 40, respectively). The Division has accomplished its mission through hundreds of field inspections, in-depth accident investigation procedures, strict Consent Orders for corrective action of safety violations, and assessment of civil penalties. The latter resulted in the collection of \$228,200 in three years.

The Division accomplished the following in enforcing the gas safety regulations during FY'88:



*Charles Santosuosso, DPU meter inspector.*

- Conducted 475 person-days of field inspections of pipeline facilities, LNG plants and propane plants.
- Discovered and corrected 50 violations of state and federal pipeline safety regulations.
- Issued 506 Notices of Probable Violation to alleged violators of the Dig-Safe law.
- Collected 288 civil penalties (\$70,300) for violations of the Dig-Safe law.

In the Massachusetts/federal government program partnership, the U.S. Department of Transportation Office of Pipeline Safety stated that, "The gas safety program is exemplary as evidenced by the score of 98% achieved on the rating [system] used in conducting our state agency reviews." The Federal government reimbursement for the program during the calendar year 1987 was \$111,882.

## Other Accomplishments

- To help ensure that a natural gas customer is getting what he or she pays for, the Division tested 233,000 gas meters for accuracy in FY'88. Inspection fees collected from gas companies as a result totaled \$128,551.

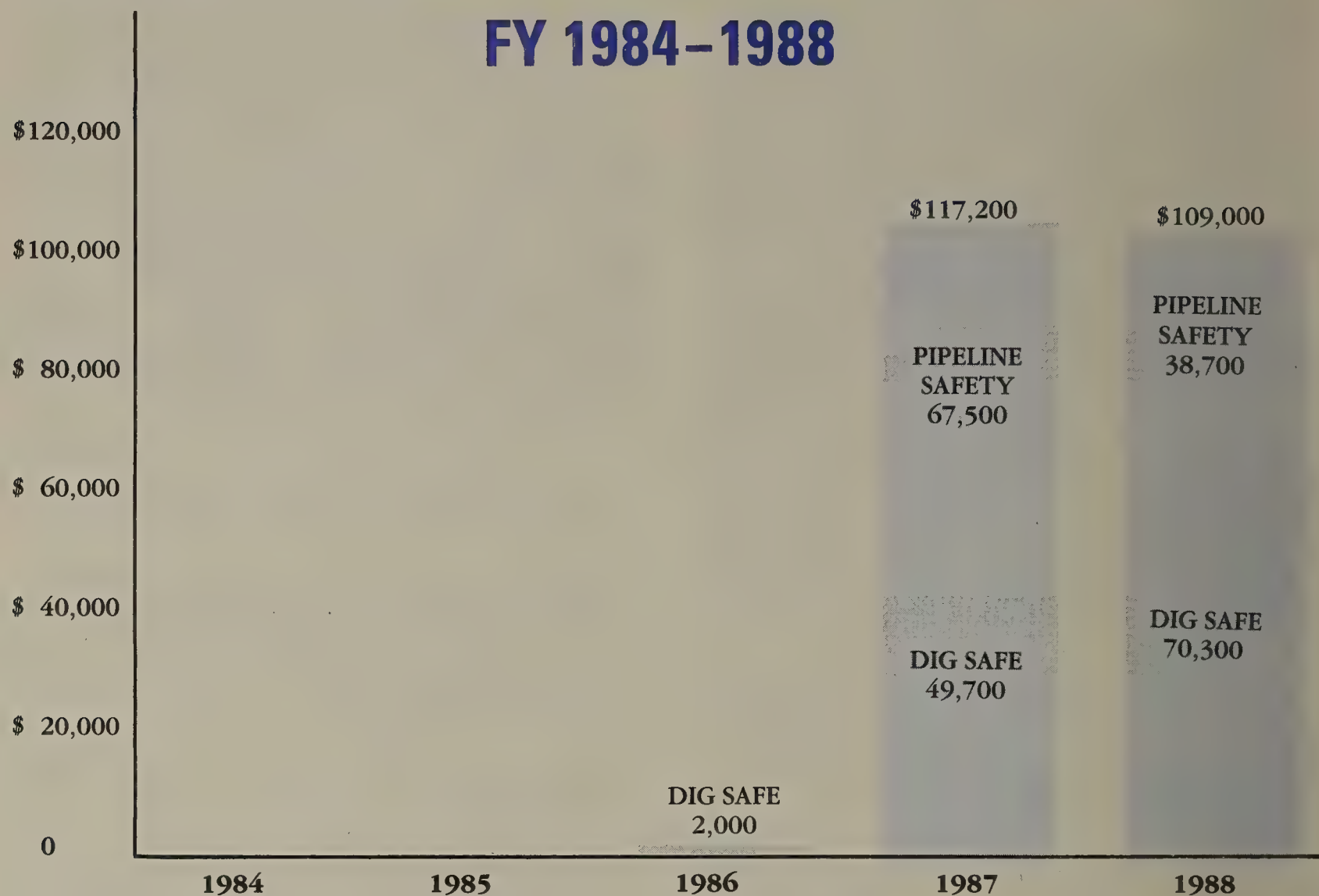


*Andrew Martin, John Rooney, Calvin Durham use sophisticated equipment to test meter accuracy.*

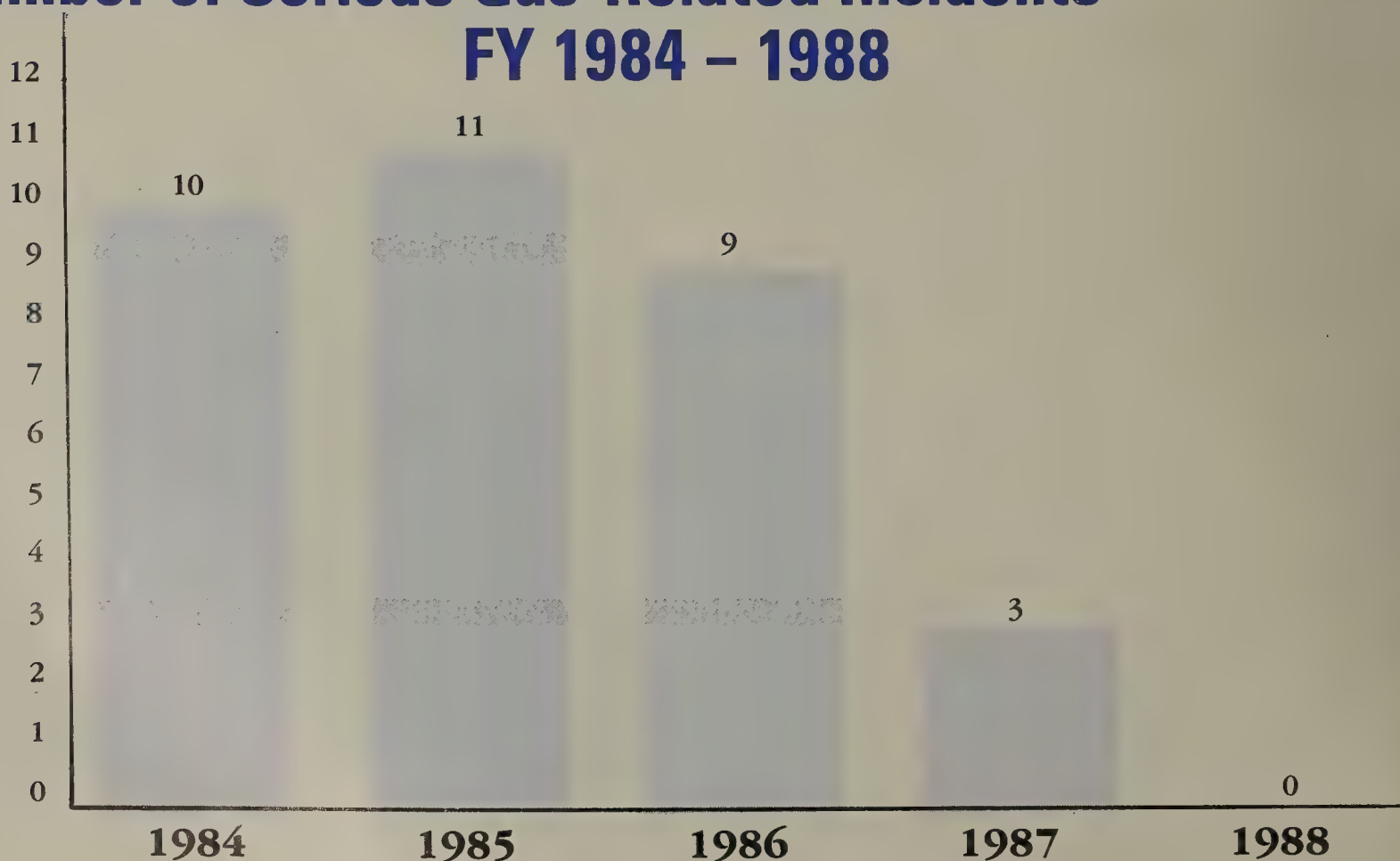


**Civil Penalties Collected for Violations  
of Gas Pipeline Safety Regulations & The Dig Safe Law**

**FY 1984-1988**



**Number of Serious Gas-Related Incidents  
FY 1984 - 1988**





# Commercial Motor Vehicle Division



Neal Murphy, DPU investigator, checks tow truck for permits.

## MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES



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## CONTRACT



The primary function of the Commercial Motor Vehicle Division is the regulation of motor vehicle carriers that transport property for hire, including all intrastate and interstate trucking companies that do business in Massachusetts. A carrier must obtain a certificate or permit from the DPU before providing service. Certificates and permits are issued only after a public hearing where a determination is made that the applicant is fit and the service is needed.

An equally important function of the Division is the protection of both consumers and shippers from unfair and deceptive practices by some carriers. All carriers are required to file with the Division their rates and charges for the services they are authorized to perform.

Each year the Division investigates hundreds of complaints from customers about overcharging for service by a carrier. The Division answers questions about trucks, trucking companies, towing companies, and rate schedules. If complaints cannot be resolved informally, they are adjudicated at a formal complaint hearing. Carriers found to have engaged in serious or repeated illegal practices may have their license to operate suspended or revoked.

## Outreach Program Draws Large Response

In FY'88, the Division instituted a police-ordered towing and storage ("POTS") workshop. This outreach workshop is designed to explain the DPU's role in the regulation of the towing industry. Workshops were conducted for 17 insurance companies, three business groups and three municipalities, with approximately 950 persons in attendance.

The goal of the program is to explain the laws, rules, and regulations of police-ordered towing and storage to others who have a role in monitoring the activities of the towing industry.

MASSACHUSETTS  
EXPIRES 1-31-89



No. 425031

MASSACHUSETTS  
EXPIRES 1-31-89



No. 425032

MASSACHUSETTS  
EXPIRES 1-31-89



No. 425033

MASSACHUSETTS  
EXPIRES 1-31-89



No. 425041

MASSACHUSETTS  
EXPIRES 1-31-89



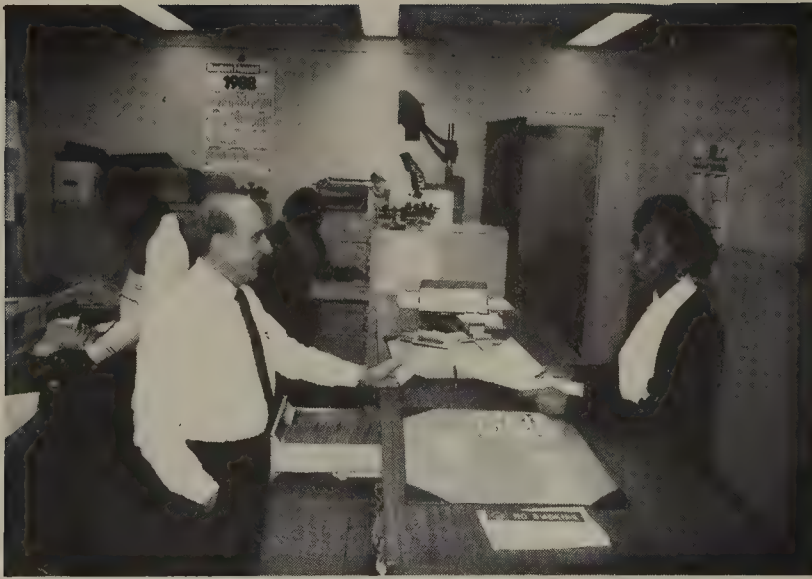
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MASSACHUSETTS  
EXPIRES 1-31-89



No. 425043





*Jim Aloisi explains DPU tariff procedures to a customer.*

## Other Accomplishments

- Monitoring over 8,400 carriers providing transportation services within the Commonwealth (an increase of 9 percent over FY'87).
- Overseeing operations of over 11,000 interstate carriers (an increase of 26 percent over FY'87).
- Processing applications for, and issuing over 380,000 identification stamps and decals (an increase of 9 percent over FY'87).
- Investigating over 570 complaints a year from shippers and individual consumers (an increase of 28 percent over FY'87).
- Holding over 1,100 public hearings annually (an increase of 10 percent over FY'87).

## Important!

No person shall drive any motor vehicle under authority of MGL Chapter 159A unless licensed by both the Registry of Motor Vehicles and the Department of Public Utilities.

### THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

MOTOR BUS DRIVER'S LICENSE

THIS CERTIFIES THAT:

LICENSE  
NO.  
ISSUE  
DATE  
EXPIRATION  
DATE

SCHOOL  
BUS

IS LICENSED TO DRIVE MOTOR VEHICLES UNDER  
AUTHORITY OF MGL CHAPTER 159A SUBJECT TO  
RESTRICTIONS LISTED HEREON.

RESTRICTION

RESTRICTION CODES

1. CORRECTIVE LENSES
2. CORRECTIVE HEARING APPLIANCE
3. RESTRICTED TO DRIVING VEHICLES  
THAT CARRY 16 PASSENGERS OR LESS
4. DPU SPECIFIC RESTRICTIONS

NOT VALID UNTIL SIGNED BY LICENSEE

*Timothy J. Shevlin, Jr.*  
AUTHORIZED DPU SIGNATURE

This license is null and void whenever the license issued by the Registrar of Motor Vehicles is revoked, suspended, or not renewed and MUST be returned immediately to the Department of Public Utilities.



*The Commonwealth of Massachusetts*

DEPARTMENT OF PUBLIC UTILITIES

100 CAMBRIDGE STREET • ROOM 1205  
BOSTON, MASS. 02202

**P E R M I T**

EXPIRES SEPTEMBER 30,

NUMBER DATE

LICENSEE

This certifies that the motor vehicle herein described has been inspected by an inspector of the Department of Public Utilities in respect to TYPE, CONSTRUCTION, EQUIPMENT and OPERATING CONDITION and conforms to the rules and regulations promulgated by the Department under the provisions of MGL Chapter 159A.

OWNED BY

BUS NUMBER	SEATING CAPACITY	ADULTS	CHILDREN
MAKE	TYPE		
VEHICLE IDENT. NO.			

18032

*Timothy J. Shevlin, Jr.*  
AUTHORIZED SIGNATURE

THIS PERMIT IS NON-TRANSFERABLE AND SHALL BE POSTED CONSPICUOUSLY UNDER GLASS IN THE BUS FOR WHICH ISSUED.



# Railway and Bus Division



*Track inspector Rich Morin confirms proper rail gauge during inspection.*



*Bus inspector Eli Ganim checks motor bus power train.*



The DPU is responsible for ensuring the safety of the traveling public on railroads, rapid transit trains, streetcars, and buses within the Commonwealth and issuing certificates, licenses, and permits to transportation services that have proved that they serve the public convenience and necessity and meet the Department's safety and other standards of operation.

## On-Site Training for New Inspectors

In FY'88, the DPU implemented a new training program for its rail and bus inspectors, which combined field and classroom sessions over a three-month period. Although all new inspectors had considerable experience before they were hired, the Department has developed the training program to ensure familiarity with its own standards for inspection.



*Inspector Michael Shaughnessy examines truck assembly of MBTA rapid transit car.*

Two of the new inspectors worked closely with the MBTA to develop a new system of unannounced inspections for MBTA buses. Each inspector spends a portion of one day each week visiting an MBTA bus station to ensure that the required "circle check," a safety inspection which each MBTA bus driver must perform each day before taking a bus out on the route, has been completed in a satisfactory way. These frequent and unannounced checks have proven to be very effective.

## Other Accomplishments

Responding to complaints by the Attorney General and others, the Department opened an investigation into the operation of Guilford Transportation Industries, Inc. Public hearings were held in Boston and Greenfield to hear from public officials and concerned citizens. Those allegations relating to the safety regulations that fall under the Department's jurisdiction will be investigated.

In FY'88 the Division also:

- Conducted 7,600 safety inspections.
- Issued 12,800 licenses.
- Issued 5,000 bus permits.
- Investigated 148 rail and bus accidents.
- Cited 407 bus companies for violations.



# Funding and Revenues



Funding for the DPU comes from (1) general appropriations; (2) general appropriations reimbursed by assessments on the regulated utilities; and (3) direct assessments on selected utilities.

## 1. General Appropriations

Common carriers and railway and bus companies have no assessments levied against them. These companies are subject to DPU fees for services such as licensure, inspection, and examination. Although funding for the transportation divisions comes directly from the Commonwealth, the revenues they generate exceed their expenses by almost 3 to 1. These revenues are deposited directly into the Commonwealth's General Fund and are not retained to support the activities of the DPU.

## 2. General Appropriation Reimbursement

Chapter 25, Section 18, provides that the Commission be authorized to make assessments against the electric, gas, telephone, and telegraph companies under its jurisdiction. This section allows reimbursement for funds appropriated by the Legislature for operation and general administration of the Department with the exception of transportation. Revenues from this assessment cannot exceed the expenditures by the Department in the corresponding fiscal year.

## 3. Direct Assessments

Since 1971, Chapter 1093, later amended by Chapter 349, has authorized the DPU to assess each electric,

gas, telephone, and telegraph company under its jurisdiction to assist in defraying the general operating expenses of the DPU. The amount of this assessment is not to exceed \$500,000.

Another assessment account was added by Chapter 375 of the Acts of 1981 and amended in 1987 to fund the Fuel Charge Monitoring Bureau. This \$700,000 assessment was established to support the Bureau's monitoring of fuel adjustment charges and other matters related to the operation of the regulated electric companies.

Chapter 465 of the Acts of 1980 was enacted to increase the energy efficiency of residential buildings in the Commonwealth. This act authorizes the DPU to assess electric and gas companies each year such amounts as may be necessary to carry out the DPU's responsibilities in program development, administration, enforcement, certification, training, registration, inspection programs, and public education and promotion expenses, exclusive of paid advertisements.

## 4. Generating Revenues

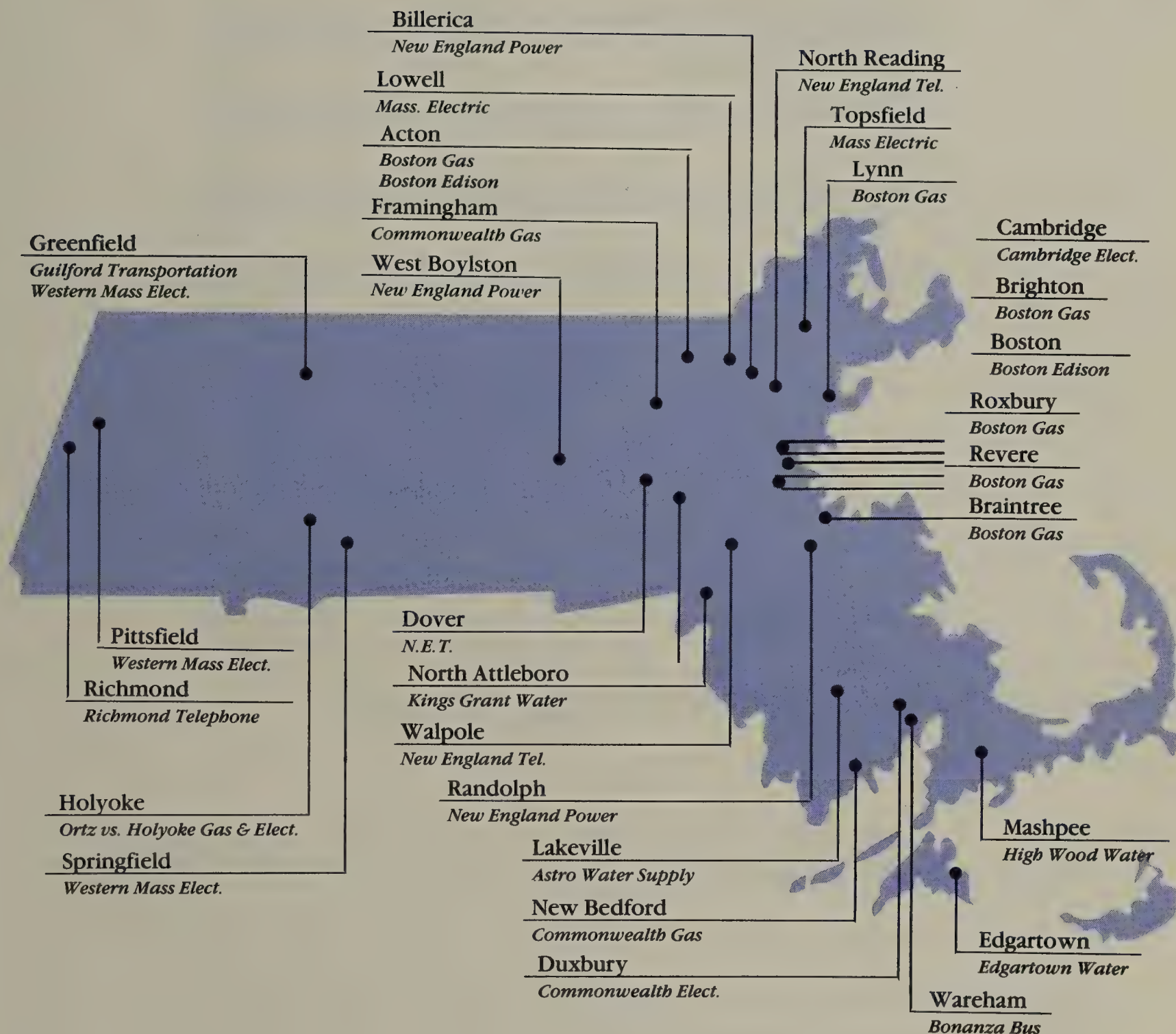
In the course of fulfilling its many regulatory functions, the Department receives substantial revenues from the various fees it charges for filing petitions, conducting inspections, and issuing service authorizations. The funds received go to the Commonwealth's general fund and are substantially greater than the Department's annual appropriations.

## FISCAL YEAR 1988

GENERAL ADMINISTRATION REIMBURSEMENT	\$3,354,793
OTHER ADMIN	175,748
CMVD	654,031
FUEL BUREAU	700,000
GENERAL ASSESSMENT	500,000
TOTAL	5,384,572
STATE TREASURY PORTION	829,779
APPROPRIATION	4,184,572
REVENUES	7,701,449
ADMINISTRATION	188,026
COMMERCIAL MOTOR VEHICLE DIVISION	2,472,660
ENGINEERING	247,665
RAILWAY AND BUS	238,305
TOTAL REVENUES DERIVED FROM FEES & LICENSES	\$3,146,656



# Hearings — Fiscal Year 1988





# Hearings — Fiscal Year 1988

Type of Hearing	Service Territory	DPU Office
Gas	8	90
Electric	15	86
Water	4	2
Telecommunications	4	51
Rail & Bus	2	76
CMVD	702	458
Dig Safe		21
Adjudicatory	1	31
Other		2
<b>Totals</b>	<b>736</b>	<b>817</b>

In addition to the hearings indicated above, the Department of Public Utilities has also held regular hearings for cases involving commercial motor vehicles. These are listed below.

## Commercial Motor Vehicle Hearings — FY 1988

Location	JULY	AUGUST	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APRIL	MAY	JUNE	TOTAL
Boston	40	26	32	50	34	28	41	32	38	52	39	46	458
Lowell	9	9	4	6	8	8	3	4	7	7	8	5	78
Fall River	8	9	7	16	3	3	6	2	14	13	21	7	109
Plymouth	16	15	10	13	9	8	9	11	13	16	11	14	145
Worcester	12	14	7	12	12	11	12	18	12	15	22	17	164
Pittsfield	0	2	0	4	2	1	1	4	1	3	2	2	22
Greenfield	7	2	2	7	3	4	2	9	3	7	9	5	60
Springfield	11	5	5	13	8	7	13	10	8	23	10	10	123
Vineyard Haven	0	0	0	0	0	0	0	0	1	0	0	0	1
<b>TOTALS</b>	<b>103</b>	<b>82</b>	<b>67</b>	<b>121</b>	<b>79</b>	<b>70</b>	<b>87</b>	<b>90</b>	<b>97</b>	<b>136</b>	<b>122</b>	<b>106</b>	<b>1160</b>















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